

GREGORY S. BELL Lieutenant Governor

Mine Name: Henefer Red Clay

Operator Name: Interpace Holdings, LLC

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report Minerals Regulatory Program January 31, 2011

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Permit Number: M/043/0014

Inspection Date: November 03, 2010

Inspector(s): L Heppler	Time: 12:15 pm		
Other Participants: Jerry North	Mine Status: Active		
Elements of Inspection	Evaluated	Comment	Enforcemen ⁻
1. Permits, Revisions, Transfer, Bonds		\boxtimes	
2. Public Safety (shafts, adits, trash, signs, highwalls)	\square	\square	
3. Protection of Drainages / Erosion Control		\square	
4. Deleterious Material		$\overline{\boxtimes}$	
5. Roads (maintenance, surfacing, dust control, safety)		\square	
6. Reclamation		\square	
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts)		$\overline{\boxtimes}$	
8. Soils	$\overline{\boxtimes}$	$\overline{\boxtimes}$	
9. Revegetation	\square	$\overline{\boxtimes}$	

Bond Renewal Date: 08-06-2008 Bond Amount: \$63,300 Permit fee is up to date

Purpose of Inspection: Routine annual Inspection. This site was last inspected as a large mine site on 12/04/2008 by Brett Gregory.

Inspection Summary: This site has been regraded by the Operator, which included regrading of the highwall. There is a locked gate at the entrance of the road. There is no trash or deleterious material left at this site. One road is left at this site to provide access to the north. At the time of the inspection the site had not been seeded, but left prepped and "roughened" for seeding. It is the understanding that the area was seeded after the inspection and prior to snowfall. Growth medium was mixed into the regrading of the area.

Photos were taken to document site conditions.

Conclusions and Recommendations: Good job on regrading, OGM to continue annual inspections and monitor the site when in the area to evaluate revegetation. The Division recommends release of \$46,300 for the regrading.

Inspector's Signature

LAH:eb

cc: Frank Andrews - Interpace Holdings, LLC

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